



**TECHNOLOGY SERVICES BOARD
DEPARTMENT OF TECHNOLOGY SERVICES**

PUBLIC MEETING MINUTES

January 23, 2008

The Technology Services Board (TSB) met in open session, pursuant to the provisions of the Bagley-Keene Open Meeting Act, at approximately 10:00 a.m., in the Byron Sher Auditorium at the California Environmental Protection Agency building, located at 1001 I Street, Sacramento, California 95814.

1. Call to Order

Chairperson Teri Takai called the meeting to order at 10:00 a.m. She acknowledged Clark Kelso for all the hard work he had done during his tenure as the State Chief Information Officer.

Roll call was completed:

1. Terri Takai, State Chief Information Officer (present)
2. Michael Genest, Director, Department of Finance
(Designee Fred Klass - present)
3. John Chiang, State Controller
(Designee Jim Lombard - present)
4. A. G. Kawamura, Secretary, Department of Food and Agriculture
(Designee Davood Ghods - present)
5. Dale Bonner, Business, Transportation and Housing Agency
(Designee Michael Liang - present)
6. Linda Adams, Secretary, California Environmental Protection Agency
(Designee Eric Jarvis – present)



7. Kim Belshé, Secretary, California Health and Human Services Agency
(Designee Ann Boynton - present)
8. Victoria Bradshaw, Secretary, Labor and Workforce Development Agency
(Designee Dale Jablonsky - present)
9. Mike Chrisman, Secretary, Resources Agency
(Designee Patrick Kemp - present)
10. Rosario Marin, Secretary, State and Consumer Services Agency
(Michael Saragosa - present)
11. Thomas Johnson, Director, Department of Veterans Affairs
(Designee Jack Kirwan - present)
12. James E. Tilton, Secretary, California Department of Corrections and
Rehabilitation (Designee Matthew Thomas - present)
13. Henry Renteria, Director, Office of Emergency Services
(Designee Scott Frizzie - present)

2. Approve November 20, 2007 Meeting Minutes – Action Item

There was a motion to adopt the November 20, 2007 TSB meeting minutes as presented, the motion was seconded, and it was unanimously approved.

3. Chairperson's Report

A. State Information Technology (IT) Update – Information Item

State Chief Information Officer Teri Takai offered the floor to Clark Kelso for any remarks. He thanked Chairperson Takai for her graciousness in recognizing him; he is looking forward to continuing to assist and support the state's IT program. Chairperson Takai stressed the importance of the Board going forward. She suggested that the Board look at the committees and the way they are utilized. She



also stated that the Office of the Chief Information Officer has direct responsibility for standards and policy, not only from a technology perspective, but also from a business perspective.

4. Services Committee Report

A. Phase III Rate Adjustment – Action Item

Department of Technology Services (DTS) Director P. K. Agarwal provided an overview of the last of three phases of rate adjustments. The first two phases resulted in approximately \$43 million dollars in savings to the customers. The third phase provides savings of less than one percent of the total DTS revenue.

Director Agarwal gave a broad overview of the types of rates being adjusted.

Ann Boynton requested an explanation of the rate adjustment for the z Application Assist Program (zAAP). Melissa Matsuura of DTS explained that with the rate decrease for zAAP services, departments currently using the same level of service will recognize a reduction in total costs. However, those departments not currently using the services and adding zAAP as a service offering may actual see an increase in total expense for DTS services.

Fred Klass of the Department of Finance (DOF) asked Director Agarwal to comment on the report issued by DOF on the DTS rates. The report stated that DTS is still over-collecting in some areas and under-collecting in other areas and that some adjustments will be needed in the future. Director Agarwal gave a historical perspective of the rate adjustments. Overall, the revenue at DTS is balanced at this point. Mr. Klass suggested that, in the future, over-collections should be noted and explained.



There was discussion of timing the rate changes to be in sync with the budget cycle to allow departments to adjust their budgets. Davood Ghods requested a status of the rate benchmarking study. The draft results are expected in April, with the final report available by the June TSB meeting.

Chairperson Takai recommended approval of the Phase III Rate Adjustment package. The motion was seconded and unanimously approved.

B. Statewide Email Task Force Update - Information Item

Ann Boynton gave a report on the Statewide Email Task Force. The primary role of the Task Force is to look at email software standards across state departments ensuring that the departments are not adversely impacted (the charter of the email task force is a lot larger than this).

Chairperson Takai recommended that the Task Force include the Chief Information Security Officer to look at the security issues relating to email.

5. Financial Report

A. Budget Update - Information Item

Director Agarwal gave an update of DTS' budget. In the Personal Services area there is a \$1 million dollar balance and in the Operating Expense area, the balance is approximately \$10 million dollars.

The 2008/2009 Fiscal Year budget for DTS is \$280 million dollars. The Board approved the budget at the last meeting. Mitzi Higashidani, Chief Deputy Director of DTS gave an update on the Budget Change Proposals for the department. The DOF approved all the infrastructure improvement funds requested, and 37 out of 61



positions requested. The DOF has recommended that DTS use the Provision I process to administratively establish positions as new workloads are realized. There was discussion regarding the role of TSB in approving the budget for DTS. Fred Klass, from DOF, indicated that the process is working as intended.

6. Director's Report

A. Software Licensing Consolidation - Information Item

The original objectives for software licensing consolidation were to achieve a savings of \$10 million dollars over three years beginning in Fiscal Year 2006/2007. As of last year, DTS had a baseline savings of \$5.3 million dollars and new savings of \$11.4 million dollars.

B. Guidelines for Housing IT Infrastructure - Information Item

Last June, Intel presented the results of a TSB sponsored server consolidation study. Subsequently, TSB had requested a brief document from DTS that both business and IT stakeholders can use to develop their strategies for housing IT infrastructure. Director Agarwal gave highlights of the document.

Chairperson Takai requested comments from TSB members on the Intel Server Consolidation Study and the DTS document, in order to develop policies for housing of IT infrastructure. The TSB members gave comments and agreed with Chairperson Takai's suggestion.



7. Miscellaneous Non-Discussion Items

There was not discussion of this item.

8. New Agenda Items

There were no new agenda items.

9. Public Comment

There was no public comment given.

10. Meeting Adjournment

The meeting was adjourned at approximately 11:05 a.m.